

**SALES TAX RULES COMMITTEE
FINAL AGENDA**

The Committee convenes on Wednesday, June 19, 2013, at 1:30 p.m. at:
Idaho State Tax Commission / Room 1CR5 / Plaza IV / 800 Park Blvd / Boise, Idaho

1. Welcome & Introductions
2. Discussion of Committee's rulemaking record
3. Rules Discussion
 - a. **Rule 036 (Draft 1)** Signs and Billboards – Clarify that certain signs, such as traffic, highway, and street signs, become real property after installation while others, such as business signs, do not. For those signs that become real property, the rule will make it clear that the installer of the sign operates as a contractor improving real property and, therefore, owes sale or use tax on its purchase or use of the sign materials.
 - b. **Rule 037 (Draft 1)** Aircraft and Flying Services – House Bill 15 (2013) created a definition for primary and primarily in regards to the use of tangible personal property. Several simple examples will be added to this rule to address the application of the new definition.
 - c. **Rule 046 (No Draft Yet)** Plating and Replating (*Will be renamed to reflect the new broader scope of the rule*) – Clarify that sales of protective coatings of all kinds (paint, powder coating, spray on bedliner, chrome plating, etc.) will be treated consistently. In addition, the rule will address when a materials charge must be broken out and when it is subject to tax.
 - d. **Rule 079 (Draft 1)** Production Exemption – Clarify that sales and use of equipment used to improve and install real property are taxable even if the real property is used in production.
 - e. **Rule 083 (No Draft Yet)** Farming and Ranching – Clarify the availability of the production exemption to ranches that raise animals, such as elk, for the purpose of offering hunt packages (lodging, meals, guided hunt, etc.) to customers.
4. Any Additional Items for Discussion
5. Next meeting date: July 10, 2013

For more information, please contact the Rules Coordinator at sherry.cann@tax.idaho.gov or at 208.334.7544. All agendas and rules related documents are posted on our website under the appropriate committee.